

**REMARKS**

The Office Action dated November 17, 2005 has been carefully reviewed. Claims 9-14, 19-40, 42, 63-66, 68-71, 110-161, 171, and 182 are pending in this application. By this amendment, claims 11, 20, 65, 66, 70, 116-133, 152-155, 157-161, 171, and 182 have been cancelled. Applicants request reconsideration of this application in light of the remarks presented herein.

**INTERVIEW SUMMARY**

The interview with Examiners Freda Nelson and John Hayes on February 1, 2006 is acknowledged with appreciation. The Examiner's summary of the interview is accurate as to what transpired at the interview. It was agreed that the claims avoid the prior art of record. As discussed at the interview, claims 9 and 11 can be combined for simplicity, as can claims 19 and 20. The above amendment of claims 9 and 19 accomplishes the discussed combination. As agreed at the interview, claims 65-66, 171, and 182 are cancelled without prejudice and reserving the right to submit such claims in a continuing application.

**CLAIM REJECTIONS BASED ON §112**

Claims 9, 11, 13, 19, 20, 25-31, 42, 63, 65, 68, 69, 120, 121, 124, 125, 138-142, 147-151, 157-161, 171, and 182 were rejected under 35 U.S.C. §112. Claims 11, 20, 65, 120, 121, 124, 125, 157-161, 171, and 182 have been cancelled. Many of the remaining claims have been amended to correct the minor informalities noted by the Examiner. Applicants would like to note on the record that since these claims have previously been examined multiple times, and in many, if not most, cases previously deemed allowable, that such amendments are *not* being done for reasons of patentability of the claims, but rather are being done merely to correct the informalities noted by the Examiner. Because of the informal nature of such amendments, a detailed description of each amendment is not warranted, except in the case of the following.

The Examiner rejected claim 9 because she was “unable to determine how the “best profit” is determined.” However, claim 9 does not recite “determining a best profit”, but rather “determining profit at the first price is at least equal to a best profit for one or more previous price levels for the item with the processor”. To the extent that the Examiner has further concerns in this regard, the Examiner is directed to, for example, the exemplary, non-limiting discussion contained in paragraphs [0136] – [0139] of Applicants specification. It is believed that this matter was resolved in the 2/1/06 interview and that no further issues remain.

As to claim 39, the Examiner rejected the claim “because a personal computer cannot order items.” In relevant part, the combination of claims 9 and 39 reads “receiving one or more orders for the item at the first price from one or more of the clients, wherein at least one of the clients include a personal computer.” It is common in the vernacular of network engineers and others skilled in the art that the term “client” can refer to a personal computer, and that such machines can be used to perform many electronic tasks including communicating orders that are received by other network devices. In fact, it is such a readily understood notion that, apparently without realizing it, the Examiner used the very same terminology when formulating her §103 rejection of claim 39 based on Walker on page 7 of the 11/17/05 Office Action (i.e., “Walker et al. disclose the method of claim 9, wherein at least one of the clients include a personal computer”). As evidenced by the Examiner’s own use of the terminology, there is nothing indefinite about claim 39, and the rejection should be withdrawn. As with above, it is believed that this matter was resolved in the 2/1/06 interview and that no further issues remain.

In regard to claims 63, 68, and 69, the antecedent basis for the term “the network” appears in lines 3 and 4 of the claim, so no further amendments have been made in this regard.

In regard to claims 9, 11, 19, and 20, it was agreed upon in the 2/1/06 interview that, for simplicity, claim 9 can be combined with claim 11 and that claim 19 can be combined with claim 20. Applicants have done so in a manner that preserves the scope of

the original claims. To accommodate these claim combinations, Applicants have also cancelled numerous dependent claims to avoid the presence of redundant claims.

#### CLAIM REJECTIONS BASED ON §103 - WALKER

Claims 9, 11, 12, 21-25, 29-33, 38, 39, 42, 110-120, 124-127, 132, and 133 were rejected under 35 U.S.C. §103(a) as being obvious over U.S. Patent No. 6,658,390 issued to Walker et al. (hereinafter "Walker"). Claims 11, 116-120, 124-127, 132, and 133 have been cancelled herein. Applicants respectfully traverse the remaining rejections.

##### A. The Rejection of Claims 9 and 115

In the 11/17/05 Office Action, the Examiner indicates that Walker does not disclose

"...delivering the item to the clients that ordered the item at the first price. However it is old and well known the computer art to and well known in the business industry to deliver goods to buyers via the Internet, postal carrier, by hand etc. Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the invention of Walker et al. to include the delivery feature *in order to ensure the buyer receives the goods purchased.*" (emphasis added).

Apparently, in an attempt to arrive at the invention of Applicants' claims, the Examiner is modifying the network-based reselling method of Walker to include "the delivery feature". Based on Applicants understanding from the 2/1/06 interview, for purposes of this response, Applicants are assuming "the delivery feature" means to deliver the goods of Walker (e.g., electronic airline ticket) to the original purchaser of the goods. However, if this is not the case, Applicants respectfully request that the Examiner identify what is meant by "the delivery feature."

It is a fundamental tenet of patent law that a prima facie case of obviousness cannot be established in the absence of some teaching, motivation, or suggestion supporting the modification or combination of the references relied upon in making the rejection. The

rule of law for a finding of obviousness under 35 U.S.C. § 103(a) was reiterated recently by the Court of Appeals for the Federal Circuit as follows, “[w]hen patentability turns on the question of obviousness, the search for and analysis of the prior art includes evidence relevant to the finding of whether there is a teaching, motivation, or suggestion to select and combine the references relied on as evidence of obviousness.” In re Lee, 277 F.3d 1338 at 1343, 61 U.S.P.Q.2d 1430 (Fed. Cir. 2002). The teaching or suggestion to make the claimed combination must be found in the prior art, and not based on applicant's disclosure. In re Vaeck, 947 F.2d 488, 20 USPQ2d 1438 (Fed. Cir. 1991). The initial burden is on the examiner to provide some suggestion of the desirability of doing what the inventor has done. “To support the conclusion that the claimed invention is directed to obvious subject matter, either the references must expressly or impliedly suggest the claimed invention or the examiner must present a convincing line of reasoning as to why the artisan would have found the claimed invention to have been obvious in light of the teachings of the references.” Ex parte Clapp, 227 USPQ 972, 973 (Bd. Pat. App. & Interv. 1985).

In an apparent attempt to establish a case of obviousness in the present case, the Examiner stated that it would have been obvious to include “the delivery feature” with the network-based reselling method of Walker “in order to ensure the buyer receives the goods purchased”. This is insufficient for a number of reasons. Firstly, for a teaching, motivation, or suggestion to be proper it must come from the prior art. In this regard, goods have been delivered to buyers for centuries - a notion that in and of itself appears to be intuitively evident to everyone. Yet, by the Examiner's own admission on the record, Walker is completely silent on the idea of delivering the item to the original purchaser. The Examiner has not identified where the prior art identifies the purported teaching, motivation, or suggestion that supports the need to modify Walker to include “the delivery feature”. Indeed, the mere fact that delivering the goods to a buyer will ensure that they receive them is not, *ipso facto*, motivation to modify every teaching of a sales method to include “the delivery feature”, let alone the specific sales method of Walker (i.e., the network-based reselling method). In fact, as will be discussed below, there are clear reasons as to why one skilled in

the art would *not* add "the delivery feature" to the method of Walker. In short, the simple fact that delivering goods to purchasers ensures that they receive them does not provide a motivation to modify Walker in the manner purported by the Examiner, and the mere regurgitation of such a notion on the record cannot function as a legally sufficient substitute for the required factual analysis clarified and confirmed in *Lee*. It is the Examiner's burden to point to such motivation, and the Examiner has not done so.

Furthermore, not only has the Examiner not offered a legally sufficient teaching, motivation, or suggestion to modify Walker to include "the delivery feature", it is believed that no such motivation exists since Walker actually teaches away from the proposed modification. Indeed, Walker is directed to a method in which a seller, having previously sold a product to an original purchaser subject to a buyout-provision condition, determines if the buyout-provision condition is satisfied. If the buy-out provision condition is satisfied, the seller recalls the product from the original purchaser and resells the product to a subsequent purchaser. In the working example provided in Walker, such a system is used to electronically sell airline tickets in which the airline can recall a previous ticket sale from an original purchaser to sell it to a subsequent purchaser at a better price. *With this in mind, one skilled in the art would not be motivated to deliver the product (e.g., the airline ticket) to the original purchaser since the whole point of the Walker method is to facilitate the reselling of the item to a subsequent purchaser at a better price.* To do so would require the seller to go to the effort and expense to have the item returned to the seller in order to provide it to the subsequent purchaser thereby eroding the very benefit the method is attempting to create (e.g., increase profit from the subsequent sale).

The inappropriateness of the proposed modification is even more evident when applied to Walker's working example – the online sale of airline tickets. In short, one skilled in the art would not be motivated to deliver the tickets to the original purchaser, only to have the original purchaser have to return them when they are subsequently sold to another passenger at a better price. This is true not only to avoid the wasted time, effort, and expense of shipping the tickets back and forth, but the very nature of online selling of airline tickets

(i.e., e-tickets) is to avoid the delivery of the ticket to the passenger in the first place, irrespective of whether or not the ticket is the subject of Walker's buyout-provision.

In short, the method of Walker does not deliver the item to the original purchaser because the very intent of the method is to find a subsequent purchaser at a better price. In this regard, Walker clearly teaches away from the need to deliver the item to the original purchaser. Legally sufficient motivation cannot be found in such a circumstance.

Because the Examiner has not offered a legally sufficient teaching, motivation, or suggestion to modify Walker to include "the delivery feature", and in light of the overwhelming reasons against such a modification, it appears that the Examiner is using the Applicants' application as a roadmap in developing her rejection. That is, the Examiner appears to be using hindsight reconstruction as a substitute for a factual basis for the rejection of the claims under 35 U.S.C. §103. Such use of hindsight reconstruction is not proper. "There must be a reason apparent at the time the invention was made to a person of ordinary skill in the art for applying the teaching at hand, or the use of the teaching as evidence of obviousness will entail prohibited hindsight." *In re Nomiya, Kohisa, and Matsumura*, 509 F.2d 566, 184 USPQ 607 (CCPA 1975). "The Patent Office has the initial duty of supplying a factually basis for a rejection under 35 U.S.C. § 103. It may not, because it may doubt that the invention is patentable, resort to speculation, unfounded assumptions or hindsight reconstruction to supply deficiencies in its factual basis." *In re Rice*, 481 F.2d 1316, 178 USPQ 478, 479 (CCPA 1973).

Not only has the Examiner not provided a legally sufficient teaching, motivation, or suggestion for modifying Walker, the proposed modification is defective for other reasons, and, as a result, a *prima facie* case of obviousness cannot be sustained. For example, on page 5 of the 11/17/05 Office Action the Examiner concedes that "Walker et al. do not disclose determining profit at the first is at least equal to a best profit for previous price levels with the processor." However, the Examiner offers no other reference or teaching in an attempt to cure this shortcoming of Walker. In other words, on its face, the

rejection is defective since the proposed modification does not include each of the necessary elements. Because of this, the rejection should be withdrawn.

As a result, the Examiner has not established a *prima facie* case of obviousness with regard to Applicants' claims 9 and 115. It was agreed upon in the 2/1/06 interview that, based on at least the above reasons, the rejection of claims 9 and 115 would be withdrawn.

#### B. The Rejection of Claims 11 and 24

The subject matter of claim 11 has been combined with claim 9. As such, even though claim 11 has been cancelled, a short discussion of its rejection is warranted. Specifically, the Examiner has not provided a legally sufficient teaching, motivation, or suggestion to modify Walker to include "the delivery feature", and it is believed that no such motivation exists since Walker clearly teaches away from the proposed modification. Moreover, on its face, the rejection is defective since the proposed modification does not include each of the necessary elements – e.g., "determining profit at the first is less than a best profit for previous price levels with the processor."

In addition, to further support the rejection of claims 11 and 24, the Examiner has also offered the following:

Walker et al. do not disclose reducing the first price to the second price, wherein the second price is less than the first price. However, it is old and well known in the business industry to maximize profits by lowering prices when sales are down. Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the invention of Walker et al. to include the feature of lowering prices in order to ensure the seller optimizes sales and profits.

This simply makes no sense. The Examiner is arguing that "to ensure the seller optimizes sales and profits" one skilled in the art would be motivated to sell Walker's recalled item to a subsequent purchaser *at a lower price than was paid to the seller by the first purchaser*. Recall that Walker is directed to a method in which a seller, having previously sold a product to an original purchaser subject to a buyout-provision condition, determines if the buyout-

provision condition is satisfied. If the buy-out provision condition is satisfied, the seller recalls the product from the original purchaser and resells the product to a subsequent purchaser. Under the modification proposed by the Examiner, the product would be recalled from the original purchaser *and then sold to a subsequent purchaser at a lower price*. No one skilled in the art would recall previously sold products so that they could be resold to subsequent purchasers at a lower price, and certainly not if they wanted to remain in business for very long. Again, this simply makes no sense. There can be no finer example of a situation where a reference teaches away from the proposed modification.

In light of the lack of a legally sufficient teaching, motivation, or suggestion to modify Walker in the various ways proposed by the Examiner, and the overwhelming reasons why Walker clearly teaches away from such modifications, one can only conclude that hindsight was at play in the formation of the rejection of claims 11 and 24. Such use of hindsight is improper. Because of this, the rejection of claims 11 and 24 is likewise improper and should be withdrawn. It was agreed upon in the 2/1/06 interview that, based on at least the above reasons, the rejection of claims 11 and 24 would be withdrawn.

#### C. The Rejection of Claim 12

Claim 12 is dependent on claim 9. As a result, the rejection of claim 12 has to be withdrawn for at least the reasons discussed in regard to claim 9. Moreover, the rejection of claim 12 should also be withdrawn because it is defective for other reasons. Namely, the Examiner bases her rejection on the notion that the claimed price is non-functional because the sending step would be the same regardless of the data. However, even if this were true, the claimed price is functional to the pricing step. As a result, the rejection of claim 12 should be withdrawn. It was agreed upon in the 2/1/06 interview that, based on at least the above reasons, the rejection of claim 12 would be withdrawn.

D. The Rejection of Claims 21-23

Claims 21-23 are dependent on claim 9. As a result, the rejection of claims 21-23 should be withdrawn for at least the reasons discussed in regard to claim 9. It was agreed upon in the 2/1/06 interview that, based on at least the above reasons, the rejection of these claims would be withdrawn.

E. The Rejection of Claims 29 and 30

Claims 29 and 30 are dependent on claim 9. As a result, the rejection of claims 29 and 30 should be withdrawn for at least the reasons discussed in regard to claim 9. Moreover, the rejection of these claims should also be withdrawn because it is defective for other reasons. Namely, the Examiner bases her rejection on the notion that the claimed delivery transmission is obvious since it would "promote fast deliveries". In other words, the Examiner believes it obvious to modify Walker to include electronic delivery transmissions of the airline tickets to the first purchaser to "promote fast delivery" of such tickets. Again, the Examiner has identified nothing in the prior art to support the purported need to "promote fast deliveries" in regard to Walker's method. Moreover, as discussed above, Walker clearly teaches away from any delivery of the item to the original purchaser, let alone a "fast delivery" of the item to the original purchaser. As a result, the rejection of claims 29 and 30 should be withdrawn. It was agreed upon in the 2/1/06 interview that, based on at least the above reasons, the rejection of these claims would be withdrawn.

F. The Rejection of Claims 31 and 32

Claims 31 and 32 are dependent on claim 9. As a result, the rejection of claims 31 and 32 should be withdrawn for at least the reasons discussed in regard to claim 9. Moreover, the rejection of these claims should also be withdrawn because it is defective for other reasons. Namely, the Examiner bases her rejection on the notion that the claimed institutional compensation method is obvious since it would "permit members and/or employees to purchase goods from an institution and/or employer". Again, the Examiner has

identified nothing in the prior art to support the purported need to "permit members and/or employees to purchase goods from an institution and/or employer" in regard to Walker's method. In the absence of an identified basis in the prior art for the purported motivation, it appears that the rejection is constructed entirely based on hindsight. As a result, the rejection of claims 31 and 32 should be withdrawn. It was agreed upon in the 2/1/06 interview that, based on at least the above reasons, the rejection of these claims would be withdrawn.

G. The Rejection of Claims 38 and 39

Claims 38 and 39 are dependent on claim 9. As a result, the rejection of claims 38 and 39 should be withdrawn for at least the reasons discussed in regard to claim 9. It was agreed upon in the 2/1/06 interview that, based on at least the above reasons, the rejection of these claims would be withdrawn.

H. The Rejection of Claim 42

Claim 42 is dependent on claim 9, and, as a result, the rejection of claim 42 should be withdrawn for at least the reasons discussed in regard to claim 9. Moreover, the rejection of claim 42 should also be withdrawn because it is defective for other reasons. Namely, the Examiner bases her rejection on the notion that the use of physical delivery is obvious since it would "ensure the buyer receives the goods purchased". In other words, the Examiner believes it obvious to modify Walker to include physical delivery of the airline tickets to the first purchaser to ensure the buyer receives such tickets. Again, the Examiner has identified nothing in the prior art to support the purported need to "ensure" the delivery of the tickets to the original purchaser in regard to Walker's method. Moreover, as discussed above, Walker clearly teaches away from any delivery of the item to the original purchaser, let alone a physical delivery of the item to the original purchaser. As a result, the rejection of claim 42 should be withdrawn. It was agreed upon in the 2/1/06 interview that, based on at least the above reasons, the rejection of this claim would be withdrawn.

I. The Rejection of Claims 110-114

Claims 110-114 are dependent on claim 9. As a result, the rejection of claims 110-114 should be withdrawn for at least the reasons discussed in regard to claim 9. It was agreed upon in the 2/1/06 interview that, based on at least the above reasons, the rejection of these claims would be withdrawn.

**CLAIM REJECTIONS BASED ON §103 – WALKER/KAMINSKY**

Claim 10 was rejected under 35 U.S.C. §103(a) as being obvious over Walker in view of U.S. Patent Application Publication No. 2001/0047308 to Kaminsky et al. (hereinafter “Kaminsky”). Applicants respectfully traverse this rejection.

Claim 10 is dependent on claim 9, and, as a result, the rejection of claim 10 should be withdrawn for at least the reasons discussed in regard to claim 9. Moreover, the rejection of claim 10 should also be withdrawn because it is defective for other reasons. Namely, the Examiner appears to have substituted an unsupported, conclusory statement (i.e., “to maximize profits”) for the factual inquiry required to support a prima facie case of obviousness. As such, the Examiner has not provided a legally sufficient teaching, motivation, or suggestion for combining Walker with Kaminsky. Moreover, even a cursory review of Kaminsky would discourage one skilled in the art from combining it with Walker. As described above, Walker is directed to a method for buying back items (e.g., airline tickets) so that they can be sold at a better price. In other words, Walker buys back goods that are in high demand and sells them for a better price. To the contrary, Kaminsky is directed to a system for liquidating excess, returned, inventory of slow moving products (see, e.g., the first two lines of the abstract). One skilled in the art would hardly be motivated to look to a system for liquidating “excess, returned, inventory of slow moving products” for a teaching to improve a system of buying back high demand items. Again, it appears that the rejection has been merely pieced together through the use of hindsight. As a result, the rejection of claim 10 should be withdrawn. It was agreed upon in the 2/1/06 interview that, based on at least the above reasons, the rejection of this claim would be withdrawn.

**CLAIM REJECTIONS BASED ON §103 – WALKER/VAN LUCHENE**

Claims 19, 20, 143-146, 148-156, and 158-161 were rejected under 35 U.S.C. §103(a) as being obvious over Walker in view of U.S. Patent No. 6,687,679 issued to Van Luchene et al. (hereinafter “Van Luchene”). Claims 20, 152-156, and 158-161 have been cancelled herein. Applicants respectfully traverse the remaining rejections.

**A. The Rejection of Claim 19**

The rejection of claim 19 is defective for numerous reasons. Firstly, the Examiner has not identified where each of the elements are found in the proposed combination of Walker and Van Luchene. Indeed, the Examiner has identified many features and functions of the system of Van Luchene in the 11/17/05 Office Action (see, e.g., last two lines of page 9 through the first 12 lines of page 10 of the Office Action). Apparently such a passage is used to indicate that the Examiner believes that the combination of Walker and Van Luchene teaches all the elements. However, the Examiner admits on the record that Walker does not disclose “wherein said pricing includes determining an average time between orders.” The Examiner further admits that Walker does not disclose “determining the time between the one or more orders at the first price and the one or more second orders at the second price is greater than the average time between orders.” Nothing from the cited passages of Van Luchene refer to determining an average time between orders, and certainly not determining if the time between first and second orders is greater than or less than such an average time between orders. The cited passage from Van Luchene merely refers to the tracking of the amount of time that has elapsed since a given customer’s last transaction. Moreover, the rejection of claim 19 does not identify where the limitation “delivering the item to the one or more clients that ordered the item at the first price” is found in either Walker or Van Luchene. If the rejection of claim 19 is maintained after considering the remarks presented herein, the Examiner is respectfully requested to specifically indicate (e.g.

by line and column number and/or figure number and reference number) where each limitation of claim 19 is disclosed in Walker or Van Luchene.

Not only does the combination of Walker and Van Luchene not include all of the elements, there is no legally sufficient teaching, motivation, or suggestion for combining Walker and Van Luchene in the first place. In an attempt to identify such a teaching, motivation, or suggestion, the Examiner indicated that one skilled in the art would do so merely "to provide a way of determining discounts and/or price changes in accordance to the timing of purchases." This is insufficient for a number of reasons. Firstly, for a teaching, motivation, or suggestion be proper, it must come from the prior art. As with many of the other purported motivations presented in the 11/17/05 Office Action, the Examiner has not identified where the prior art identifies the purported motivation. As such, it appears that the Examiner has substituted an unsupported, conclusory statement (i.e., "to provide a way of determining discounts and/or price changes in accordance to the timing of purchases") for the factual inquiry required to support a *prima facie* case of obviousness. As such, the Examiner has not provided a legally sufficient teaching, motivation, or suggestion for combining Walker with Van Luchene. Moreover, as with Kaminsky, even a cursory review of Van Luchene would discourage one skilled in the art from combining it with Walker. As described above, Walker is directed to a method for buying back items (e.g., airline tickets) so that they can be sold at a better price. In other words, Walker buys back goods that are in high demand and sells them for a better price. To the contrary, Van Luchene is directed to a system and method for applying a discount to a customer's transaction (see, e.g., the title, the first two lines of the abstract, the drawings, the specification, and the claims of Van Luchene – literally the whole document is directed to a method for providing discounts). One skilled in the art would hardly be motivated to look to a system for providing discounts to a customer for a method of setting the second price in the system of buying back high demand items of Walker. *In other words, it simply makes no sense that one skilled in the art would be motivated to modify the method of Walker with the price discounting method of Van Luchene since in such a method sellers would be recalling previously sold items (e.g.,*

*airline tickets) from the original purchaser so that they could be sold to a subsequent purchaser at a discount.* Again, it appears that the rejection has been merely pieced together through the use of hindsight. As a result, the rejection of claim 19 should be withdrawn. It was agreed upon in the 2/1/06 interview that, based on at least the above reasons, the rejection of this claim would be withdrawn.

**B. The Rejection of Claims 143-146**

Claims 143-146 are dependent on claim 19. As a result, the rejection of claims 143-146 should be withdrawn for at least the reasons discussed in regard to claim 19. It was agreed upon in the 2/1/06 interview that, based on at least the above reasons, the rejection of these claims would be withdrawn.

**C. The Rejection of Claims 148 and 149**

Claims 148 and 149 are dependent on claim 19. As a result, the rejection of claims 148 and 149 should be withdrawn for at least the reasons discussed in regard to claim 19. Moreover, the rejection of these claims should also be withdrawn because it is defective for other reasons. Namely, the Examiner bases her rejection on the notion that the use of a delivery transmission is obvious since it would "promote fast deliveries". In other words, the Examiner believes it obvious to modify Walker to include electronic delivery transmissions of the airline tickets to the first purchaser to "promote fast delivery" of such tickets. Again, the Examiner has identified nothing in the prior art to support the purported need to "promote fast deliveries" in regard to Walker's method. Moreover, as discussed above, Walker clearly teaches away from any delivery of the item to the original purchaser, let alone a "fast delivery" of the item to the original purchaser. As a result, the rejection of claims 148 and 149 should be withdrawn. It was agreed upon in the 2/1/06 interview that, based on at least the above reasons, the rejection of these claims would be withdrawn.

D. The Rejection of Claim 150

Claim 150 is dependent on claim 19, and, as a result, the rejection of claim 150 should be withdrawn for at least the reasons discussed in regard to claim 19. Moreover, the rejection of claim 150 should also be withdrawn because it is defective for other reasons. Namely, the Examiner bases her rejection on the notion that the use of physical delivery is obvious since it would "ensure the buyer receives the goods purchased". In other words, the Examiner believes it obvious to modify Walker to include physical delivery of the airline tickets to the first purchaser to ensure the buyer receives such tickets. Again, the Examiner has identified nothing in the prior art to support the purported need to "ensure" the delivery of the tickets to the original purchaser in regard to Walker's method. Moreover, as discussed above, Walker clearly teaches away from any delivery of the item to the original purchaser, let alone a physical delivery of the item to the original purchaser. As a result, the rejection of claim 150 should be withdrawn. It was agreed upon in the 2/1/06 interview that, based on at least the above reasons, the rejection of this claim would be withdrawn.

E. The Rejection of Claim 151

Claim 151 is dependent on claim 19. As a result, the rejection of claim 151 should be withdrawn for at least the reasons discussed in regard to its base claim. It was agreed upon in the 2/1/06 interview that, based on at least the above reasons, the rejection of this claim would be withdrawn.

**CLAIM REJECTIONS BASED ON §103 – WALKER/VAN LUCHENE/PALLAKOFF**

Claims 25-27, 34-37, 40, 121, 122, 128-131, 147, and 157 were rejected under 35 U.S.C. §103(a) as being obvious over Walker in view of Van Luchene and further in view of U.S. Patent No. 6,687,679 issued to Pallakoff (hereinafter "Pallakoff"). Claims 121, 122, 128-131, and 157 have been cancelled herein. Applicants respectfully traverse the remaining rejections.

Claims 25-27, 34-37, and 40 are dependent on claim 9. Claim 147 is dependent on claim 19. The rejection of these claims should be withdrawn for at least the reasons discussed in regard to their respective base claims. It was agreed upon in the 2/1/06 interview that, based on at least the above reasons, the rejection of these claims would be withdrawn.

#### CLAIM REJECTIONS BASED ON §103 – WALKER/VAN LUCHENE/PALLAKOFF/GOULET

Claims 28 and 123 were rejected under 35 U.S.C. §103(a) as being obvious over Walker in view of Van Luchene further in view of Pallakoff and further in view of U.S. Patent Application Publication No. 2004/0068459 to Goulet et al. (hereinafter “Goulet”). Claim 123 has been cancelled herein. Applicants respectfully traverse the remaining rejection.

Claim 28 is dependent on claim 9, and the rejection of it should be withdrawn for at least the reasons discussed in regard to claim 9. It was agreed upon in the 2/1/06 interview that, based on at least the above reasons, the rejection of this claim would be withdrawn.

#### CLAIM REJECTIONS BASED ON §103 – WHITE/PHILLIPS

Claims 63-66, 68-70, 171, and 182 were rejected under 35 U.S.C. §103(a) as being obvious over U.S. Patent No. 6,644,547 issued to White (hereinafter “White”) in view of U.S. Patent Application Publication No. 2002/0116348 to Phillips (hereinafter “Phillips”). Although its not clear from the title of item 5 of the 11/17/05 Office Action that Kaminsky is used in the formation of the rejection of claims 63-66, 68-70, 171, and 182, the Examiner appears to be relying on the teachings of Kaminsky in the text of the rejection. As such, Applicants are assuming that the Examiner actually intended to include Kaminsky as part of the proposed combination. If this is not the case, the Examiner is requested to issue a clarification. Claims 65, 66, 70, 171, and 182 have been cancelled herein. Applicants respectfully traverse the rejection of the remaining claims.

The Examiner's rejection of claims 63, 64, 68, and 69 is defective for numerous reasons and should be withdrawn. White is directed to a customer service workstation (and/or retail terminal) that consolidates various devices and functions of a legacy retail system. In essence, it is a piece of hardware used in retail stores to transact sales of items from the store, provide information to a customer in regard to items in the store, and the like. Phillips is directed to a desktop marketing software application. The system of Phillips uses pricing and sales data from historical data to determine optimal prices in an effort to forecast expected future sales. The system predicts the effects of price changes on such future sales, and then estimates (i.e., forecasts) future profits at the different prices. The Examiner purports that it would have been obvious to combine these drastically different concepts based merely on the guidance of "maximizing profits." As will be discussed below, the rejection fails for both lack of a legally sufficient teaching, motivation, and suggestion, but also because the proposed combination does not include all of the necessary elements. Again, this rejection appears to have been crafted simply by the use of hindsight with no regard for guidance from the prior art.

The rejection based on the combination of White and Phillips is defective because it is missing numerous elements. Firstly, the Examiner cites White col. 7, lines 66 through col. 8, line 3 for the recitation of "memory containing at least one item, wherein the item includes media content." This passage merely describes how White's retail terminal is connected to a server (item 58) that maintains a number of databases having information relating to the products sold in the store such as product look ups (PLUs), price location within the store, a map of the store, discounts and offers, etcetera. The passage also describes how White's retail terminal can be connected to the internet to allow information from web pages to be displayed on the terminal's display and the like. However, there is nothing in this passage that can be properly characterized as "a memory containing at least one item" with such an item including media content, and certainly not such an item that is subsequently subjected to dynamic pricing. White does not teach selling items stored on the server 58 (or any other memory for that matter) to customers. White's terminal is used to transact the sale

of items located in the store. The Examiner has completely glossed over where White discloses a processor that, for example, dynamically adjusts the price of an item stored in a memory and then delivers such an item to a client over the Internet. Phillips cures none of these deficiencies.

Moreover, the rejection is further defective since nothing in White or Phillips teaches comparing profit at a current price to previous best profits. White talks nothing of profit forecasting (which is not surprising since it is directed to a retail terminal). Phillips, on the other hand, teaches only profit forecasting based on future price forecasts. There is no discussion in Phillips relating to increasing prices when a current profit is at least equal to the previous best profit for the item.

There is no discussion in Phillips relating to increasing the price of the item by a random percentage as purported in the rejection. However, as evidenced by the Examiner's characterization of Kaminsky, Kaminsky does not teach the use of "random percentages" above the first price, but rather (again, by the Examiner's own admission) teaches the use of "percentage movement of the price based on business rules". See, for example, the Examiner's rejection of claim 71 where the Examiner characterizes the price changes of Kaminsky as being increased by a "*certain* percentage increment (i.e., 1%)".

Not only does the proposed combination not include all of the elements, but, in addition, the Examiner has not identified a legally sufficient teaching, motivation, or suggestion for the combination in the first place. As with many of the other purported motivations contained in the 11/17/05 Office Action, the Examiner has substituted a conclusory, unsupported statement (i.e., "in order to maximize profits") for the factual inquiry required to support a *prima facie* case of obviousness. For example, in the case of the current rejection, no one skilled in the art armed only with the general desire to "maximize profits" would be led to the very specific combination proposed by the Examiner. In particular, it is beyond reasoning as to how one skilled in the art would be motivated to take the retail terminal of White and, on a regular basis, input into it the previous days sales data so that the retail terminal could be used to make sales and profit forecasts. This simply lacks

common sense. No one would be led to such a combination of such disconnected concepts (i.e., a retail terminal and a dynamic pricing software tool) based merely on the desire "to maximize profits".

Moreover, it does not appear that the Examiner has even made a bona fide attempt to justify the inclusion of Kaminsky into the combination of White and Phillips. Indeed, the Examiner appears to be supporting the inclusion of Kaminsky "in order to maximize profits." The problem is, this is the same conclusory, unsupported motivation provided for combining Phillips and White in the first place. In other words, armed with only the general desire to "maximize profits" why would one skilled in the art go to the effort and expense to add the subject matter of Kaminsky to the combination of White and Phillips since adding Phillips to White has already "maximized profits" according to the Examiner. This is simply a fabricated motivation to support a hindsight-based analysis.

Because of the numerous omissions of elements in the proposed combination, and because there is no legally sufficient teaching, motivation, or suggestion for the combination in the first place, the rejection of claims 63, 64, 68, and 69 cannot be supported and should be withdrawn. It was agreed upon in the 2/1/06 interview that, based on at least the above reasons, the rejection of these claims would be withdrawn.

#### CLAIM REJECTIONS BASED ON §103 – WHITE/PHILLIPS/KAMINSKY

Claim 71 was rejected under 35 U.S.C. §103(a) as being obvious over White in view of Phillips, and further in view of Kaminsky. Applicants respectfully traverse this rejection.

Claim 71 is dependent on claim 69. The rejection of claim 69 should be withdrawn for at least the reasons discussed in regard to claim 69. It was agreed upon in the 2/1/06 interview that, based on at least the above reasons, the rejection of this claim would be withdrawn.

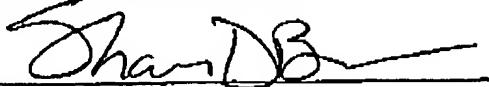
**CONCLUSION**

In view of the foregoing remarks, and because the Examiner agreed that the claims were free of the art of record in the 2/1/06 interview, it is submitted that this application is in a condition for allowance. Action to that end is hereby solicited.

It is respectfully requested that, if necessary to effect a timely response, this paper be considered as a Petition for an Extension of Time sufficient to effect a timely response and shortages in other fees be charged, or any overpayment in fees be credited, to the Account of Barnes & Thornburg, Deposit Account No. 10-0435 with reference to file 40723-78484.

Respectfully submitted,

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